GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3532
ANSWERED ON:16.12.2005
AGRICULTURAL CREDIT
Pandey Dr. Laxminarayan;Tripathi Shri Chandramani

Will the Minister of FINANCE be pleased to state:

(a) whether a task force of Reserve Bank of India has suggested to constitute a `Risk Fund` in regard to agriculture credit; and

(b) if so, the details of the action taken in this regard ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a)&(b): Yes, Sir. The Advisory Committee on Flow of Credit to Agriculture and Related Activities from the Banking System (Vyas Committee) has recommended for setting up of an Agri-Risk Fund with equal contribution from Central and State Governments and participating banks for moderating the risk of lender banks. The recommendation has been examined by the Government and it is currently felt that such a fund will not be easy to operate in the country where size of land holding is very small and the land records are incomplete.